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**WTO Consultations Requested to Address Critical U.S. Agricultural
Market Access Concerns**

USTR Charlene Barshefsky today announced that the United States has invoked the dispute settlement procedures of the World Trade Organization (WTO) to challenge practices of the governments of the Philippines and Japan that impede U.S. agricultural exports to those two countries.

The Philippines has agreed to the U.S. request for consultations to review the implementation of its agriculture commitments. "We are deeply concerned about the pattern of delay and the restrictive manner in which the Philippines has implemented its pork and poultry tariff-rate quotas," said Ambassador Barshefsky. "Of specific concern is the fact that the Philippines Government still has not authorized imports for 1997 and has established a system for allocating import licenses that serves as an unfair and unacceptable barrier to U.S. farm exports."

The United States also has requested consultations with Japan on Japan's variety-by-variety quarantine testing requirement for agricultural commodities. Barshefsky said, "We are firmly convinced there is no scientific basis for Japan's comprehensive variety-by-variety testing requirements. Japan's requirement that several years be spent duplicating tests for each additional variety is without quarantine significance, blocks market access, and ignores available scientific evidence which demonstrates the efficacy of existing quarantine treatments for a commodity."

Background:

Pork and poultry exports to the Philippines. Prior to the Uruguay Round, the Philippines effectively prohibited the importation of pork and poultry. Under the WTO agreement on agriculture, the Philippines has committed to provide a minimum level of access for pork and poultry imports by means of tariff-rate quotas. However, the Philippines has established a licensing system for these quotas that imposes barriers to U.S. exports, including by allocating the majority of licenses to domestic producers who have no know interest in importing. Furthermore,

more than three months into the year, the Philippines has still failed to issue any licenses for 1997.

The United States is committed to ensuring that the Philippines implements its WTO commitments. The United States requested WTO dispute settlement consultations on April 1, after months of intensive efforts to urge the Philippines to implement fully its WTO commitments resulted in no progress. Those consultations should be held by May 1.

Fruit and other agricultural exports to Japan. Japan prohibits the importation of each variety of an agricultural product until the quarantine treatment for that specific variety has been tested. This requirement is imposed even where Japan has already agreed that the existing treatment is effective for other varieties of that same product.

The U.S. request for WTO consultations cites the WTO Agreement on the Application of Sanitary and Phytosanitary Measures. This Agreement requires that such measures be based on scientific principles, not be maintained without sufficient scientific evidence, be based on a risk assessment, and not arbitrarily or unjustifiably discriminate between WTO members where the same conditions prevail. There is no scientific rationale for a general requirement distinguishing between varieties of an agricultural commodity in terms of the effectiveness of a quarantine treatment for a known quarantine pest

WTO consultations with Japan on quarantine testing were requested on April 7, and should be held by May 7. The complaint against Japan is the 25th complaint that the United States has referred to WTO dispute settlement during the past 24 months -- more cases than any other country has taken to the WTO. Of those 25 complaints, 9 have involved agricultural and fishery products.